

Long-Range Building Program

Purpose - The Long-Range Building Program was initiated in 1965 to provide funding for construction and maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

Executive Recommendation -

- Volume 4 of the Governor's 2007 biennium Executive Budget contains complete descriptions of all recommended projects, which total \$156,103,540, as well as a listing of all LRBP project applications submitted by Agencies for the 2007 biennium. All recommended projects are listed within Table F-2.
- HB 5 contains \$35,128,040 LRBP, \$29,664,000 state special revenue, \$11,914,000 federal special revenue, and \$74,297,500 other funds for a total of 72 projects and \$151,003,540 in the cash bill.
- Highest priorities in the cash recommendations for the 2007 biennium are projects that will reduce the growing statewide backlog of safety, major repairs and deferred maintenance projects.
- A one-time transfer of \$30 million from the general fund to the Long Range Building Fund will be required to address this major repair and maintenance backlog. This transfer will augment the projected cash funds available for capital projects of \$5,172,623 to arrive at a total available amount of \$35,172,623 in the LRB fund.
- HB 14 recommends the authorization of \$5.1 million of highway revenue bonds for the construction of Montana Department of Transportation equipment storage buildings statewide.
- No general obligation bonds are proposed for the 2007 biennium program.

Since the Last Session –

- Since last session, the Architecture and Engineering Division has completed construction of the new Reception Unit at the Montana State Prison and the Bozeman Armed Forces Reserve Center. Construction has started for the new Applied Technology Center at MSU-Northern and is nearing completion for the renovation of the Chemistry Building at the University of Montana.

Language Recommendation -

The following language will be included in the introduced version of HB 5:

“Fund Transfer. There is a general fund appropriation of \$10 million in fiscal year 2006 and \$20 million in fiscal year 2007 to transfer funds to the long-range building program account in the capital projects fund type for the projects enumerated in [section 3]”

Funding -

- Cigarette tax revenue is projected at \$3.224 million.
- Coal severance tax revenue is projected at \$7.535 million.
- State buildings energy savings transfers by the DEQ are \$159,741.
- One time general fund transfer is \$30 million.
- See table F-1 that follows for presentation of the LRBP account revenue estimates for the 2007 biennium.

Long-Range Building Program

TABLE F-1

**REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF OCTOBER 25, 2004
2007 BIENNIUM**

Estimated Beginning Cash Balance (July 1, 2005)		\$613,164
Revenues:		
Cigarette Tax	\$3,224,000	
Coal Severance Tax	7,535,000	
Interest Earnings	507,827	
Supervisory Fees	301,712	
DEQ Transfer - Energy Savings	159,741	
One Time General Fund Transfer	30,000,000	
Total Revenues		41,728,280
Funds Available		42,341,444
Expenditures:		
Operating Costs - A & E Division (Initial Budget Proposal)	(2,505,747)	
Debt Service - 1996D Issue *	(2,902,774)	
Debt Service - 1997B Issue *	(686,870)	
Debt Service - 1999C Issue *	(1,073,430)	
Total Expenditures - Excluding Capital Projects		(7,168,821)
Funds Available For Capital Projects		35,172,623
Funding Proposals		
Capital Construction Program - LRBP Projects Only		(35,128,040)
Balance Remaining		\$44,583
* CST portion only		

Long-Range Building Program

Table F-2							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
1	Statewide	Roof Repairs & Replacement	3,091,700	0	206,500	0	3,298,200
2	Statewide	Repair/Preserve Building Exteriors	500,000	0	0	0	500,000
3	Statewide	Window Repairs & Replacement	1,275,000	0	0	0	1,275,000
4	DOA	Deferred Maintenance, Montana Law Enforcement Academy	765,000	0	0	0	765,000
5	Statewide	Hazardous Materials Abatement	500,000	0	0	0	500,000
6	Statewide	Code/Deferred Maintenance Projects	1,307,300	0	45,000	0	1,352,300
7	MUS	ADA/Code/Deferred Maintenance Projects	1,400,000	0	0	0	1,400,000
8	Statewide	Repair Deteriorated Campus Infrastructure	550,000	0	0	0	550,000
9	DOA	Major Maintenance and Repairs to State Capitol	500,000	0	0	0	500,000
10	MUS	Upgrade Steam Distribution System, UM-Missoula	5,935,000	0	0	3,060,000	8,995,000
11	DOC	Improve Water System, MSP-Deer Lodge	125,000	0	0	0	125,000
12	MUS	Upgrade HVAC Systems - Pershing & Brockman Halls, MSU-Northern	524,000	0	0	0	524,000
13	MUS	Heating System Improvements - Academic Center & McMullen Halls, MSU-Billings	245,000	0	0	0	245,000
14	DOC	Improve High-Side Kitchen Ventilation, MSP-Deer Lodge	117,300	0	0	0	117,300
15	MUS	Mining & Geology Building Mechanical System Renovation, UM-Butte	920,000	0	0	0	920,000
16	MUS	HVAC System Repairs and Upgrades, MSU-GFCOT	650,000	0	0	0	650,000
17	DPHHS	Facility Improvements, Montana State Hospital-Warm Springs	595,500	0	0	0	595,500
18	MUS	Upgrade Health Sciences HVAC System - Phase 2, UM-Missoula	970,000	0	0	0	970,000

Long-Range Building Program

Table F-2, cont.							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
19	MUS	Renovate Domestic Water Distribution System, UM-Dillon	183,100	0	0	0	183,100
20	Statewide	Upgrade Fire Alarm Systems	400,000	0	0	0	400,000
21	MUS	Classroom/Laboratory Upgrades	1,000,000	0	0	0	1,000,000
22	MUS	Facility Repairs & Improvements, MSU-Billings	545,000	0	0	0	545,000
23	DOA	Repair Elevators, Capitol Complex	800,000	0	0	0	800,000
24	MUS	Heating Plant Phase 3, MSU-Bozeman	950,000	0	0	0	950,000
25	MUS	Renovate HVAC Systems - Science Complex 3rd & 4th Floors, UM-Missoula	610,000	0	0	0	610,000
26	MUS	Water/Sewer System Repairs and Maintenance, MSU-Bozeman	750,000	0	0	750,000	1,500,000
27	MUS	Upgrade Primary Electrical Distribution, MSU-Bozeman	250,000	0	0	250,000	500,000
28	MUS	Facility Repairs and Improvements, MSU-AES	480,000	0	0	0	480,000
29	DPHHS	Facility Improvements, MDC-Boulder	219,140	0	0	0	219,140
30	MUS	Campus Improvements, MSU-Northern	640,000	0	0	300,000	940,000
31	DPHHS	Demolish Abandoned Buildings	1,930,000	0	0	0	1,930,000
32	MSDB	Facility Improvements, MT School for the Deaf and Blind	400,000	0	0	0	400,000
33	DPHHS	Secure Housing Unit, MDC-Boulder	2,542,000	0	0	0	2,542,000
34	DOA	Upgrade 1100 North Last Chance Gulch	1,808,000	0	0	0	1,808,000
35	DOC	Improve Perimeter Security, MSP-Deer Lodge	1,400,000	0	0	0	1,400,000
36	DNRC	Replace Clearwater Unit Fire Cache	250,000	0	0	0	250,000
37	DPHHS	Special Care Unit Renovations, EMVH-Glendive	0	475,000	0	0	475,000

Long-Range Building Program

Table F-2, cont.							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
38	DPHHS	Facility Renovation and Improvements, MVH-Columbia Falls	0	465,000	0	0	465,000
39	DPHHS	Authority to Construct Chapel, MSH-Warm Springs	0	0	0	350,000	350,000
40	DMA	Federal Spending Authority	0	0	2,000,000	0	2,000,000
41	DMA	Western Montana Veterans' Cemetery, Missoula	0	3,200,000	0	0	3,200,000
42	DMA	Montana State Veterans' Cemetery Columbarium, Ft Harrison	0	500,000	0	0	500,000
43	MDT	Maintenance, Repair and Small Projects, Statewide	0	3,515,000	0	0	3,515,000
44	MDT	Equipment Storage Buildings, Statewide	0	5,775,000	0	0	5,775,000
45	MDT	Chiller/Cooling Towers Replacement, Helena Headquarters	0	350,000	0	0	350,000
46	MDT	Office Addition, Billings	0	500,000	0	0	500,000
47	MUS	General Spending Authority, UM-All Campuses	0	0	0	7,000,000	7,000,000
48	MUS	New Construction - Consolidate Campus, UM-MCOT	0	0	0	24,500,000	24,500,000
49	MUS	New Gallery Space, UM-Missoula	0	0	0	6,000,000	6,000,000
50	MUS	New Forestry Complex, UM-Missoula	0	0	0	20,000,000	20,000,000
51	MUS	General Spending Authority, MSU-All Campuses	0	0	0	7,000,000	7,000,000
52	MUS	VisComm Black Box Theater, MSU-Bozeman	0	0	0	2,750,000	2,750,000
53	FWP	Big Springs PCB Cleanup	0	2,375,000	2,375,000	0	4,750,000
54	FWP	Future Fisheries	0	1,190,000	0	0	1,190,000
55	FWP	FAS Acquisition	0	650,000	100,000	0	750,000
56	FWP	FAS Maintenance	0	350,000	0	0	350,000
57	FWP	FAS Site Protection	0	800,000	0	0	800,000
58	FWP	Hatchery Maintenance	0	575,000	575,000	0	1,150,000
59	FWP	Community Fishing Ponds	0	0	50,000	0	50,000

Long-Range Building Program

Table F-2, cont.							
Long-Range Building Program							
Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
60	FWP	Repair Dams	0	264,000	0	0	264,000
61	FWP	Rose Creek Hatchery	0	0	975,000	0	975,000
62	FWP	Boat Washing Stations	0	25,000	75,000	0	100,000
63	FWP	Fish Cleaning Stations	0	0	112,500	37,500	150,000
64	FWP	Fort Peck Storage/Office Space	0	50,000	400,000	0	450,000
65	FWP	Habitat Montana	0	5,430,000	0	0	5,430,000
66	FWP	Upland Game Bird Program	0	1,220,000	0	0	1,220,000
67	FWP	Wildlife Habitat Maintenance	0	750,000	0	0	750,000
68	FWP	Migratory Bird Stamp Program	0	625,000	0	0	625,000
69	FWP	Motorboat Recreation	0	2,305,000	0	2,000,000	4,305,000
70	FWP	Cultural & Historic Parks	0	2,245,000	0	300,000	2,545,000
71	FWP	Grant Programs/Federal Projects	0	330,000	5,000,000	0	5,330,000
72	FWP	Admin Facilities Repair, Maintenance & Improvements	0	800,000	0	0	800,000
TOTAL LONG RANGE BUILDING PROGRAM			\$35,128,040	\$34,764,000	\$11,914,000	\$74,297,500	\$156,103,540

Treasure State Endowment Program

Purpose - The Treasure State Endowment Program (TSEP), administered by the Department of Commerce, is a coal tax-funded program designed to assist communities with infrastructure financing as authorized by Montana voters with passage of Legislative Referendum 110 in 1992. The program is defined in Title 90, Chapter 6, part 7, MCA. Goals for the program include:

- create jobs for Montana residents;
- promote economic growth in Montana by helping to finance the necessary infrastructure;
- encourage local public facility improvements;
- create a partnership between the state and local governments to make necessary public projects affordable;
- support long-term, stable economic growth in Montana;
- protect future generations from undue fiscal burdens caused by financing necessary public works;
- coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
- enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

Executive Recommendation -

- Volume 5 of the Governor's 2007 biennium Executive Budget contains the department's evaluation of each of the TSEP applications and the detailed recommendations.
- Under current law, about \$17.4 million in net endowment interest will be available for TSEP grant awards for the 2007 biennium.
- HB 11 contains the list of projects recommended for TSEP grants funding. For the 2007 biennium, there were 47 applications submitted, requesting \$18,551,674 in TSEP grants funds. The recommended projects are listed on Table F-3
- HB 11 also contains requests for \$600,000 to be used by the department to award matching grants for preliminary engineering studies, and \$100,000 to be used by the department to award grants for emergency projects.
- Two of the previously authorized projects from the 2001 biennium that have not moved forward will be brought back before the Legislature to have the grants terminated.

Since the Last Session -

- Since the 2003 Legislature met, the department has been administering as many as 74 construction grants, awarded and administered 32 grants for preliminary engineering studies, and awarded and administered three grants for emergency projects.
- There were no major policy changes to TSEP application guidelines that were published in 2003. The most significant technical change was to the target rate percentages used to analyze financial need.

Treasure State Endowment Program

Table F-3

TSEP Applicants and the Amount of Dollars Recommended

Rank	Applicant	Type of Project	Amount Requested	Proposed Grant Award ¹	Proposed Award
1	St. Ignatius	Wastewater	500,000	500,000	500,000
2	Rudyard District	Wastewater	441,950	524,503	1,024,503
3	Carter District	Water	500,000	500,000	1,524,503
4	Cascade	Water	500,000	500,000	2,024,503
5	Madison County	Bridge	179,911	179,911	2,204,414
6	Lewis & Clark County	Wastewater	299,802	288,757	2,493,171
7	Stillwater County	Bridge	399,853	399,853	2,893,024
8	Seeley Lake District	Wastewater	500,000	500,000	3,393,024
9	Dodson	Wastewater	427,500	427,500	3,820,524
10	Conrad	Wastewater	500,000	500,000	4,320,524
11	Sweet Grass County	Bridge	144,989	144,989	4,465,513
12	Havre	Water	500,000	500,000	4,965,513
13	Powell County	Bridge	158,348	158,348	5,123,861
14	Mineral County	Bridge	80,090	80,090	5,203,951
15	Glacier County	Bridge	500,000	500,000	5,703,951
16	Malta	Wastewater	500,000	500,000	6,203,951
17	Crow Tribe	Wastewater	500,000	500,000	6,703,951
18	Libby	Wastewater	500,000	500,000	7,203,951
19	Big Horn County	Bridge	142,500	142,500	7,346,451
20	Custer District	Wastewater	500,000	500,000	7,846,451
21	Hill County	Bridge	450,750	450,750	8,297,201
22	Glasgow	Wastewater	500,000	500,000	8,797,201
23	Valier	Wastewater	500,000	500,000	9,297,201
24	Sheridan	Water	500,000	500,000	9,797,201
25	Beaverhead County	Bridge	84,886	84,886	9,882,087
26	Whitefish	Water	457,500	457,500	10,339,587
27	Richland County	Bridge	453,841	453,841	10,793,428
28	Upper-Lower River Road District	Water/Wastewater	500,000	500,000	11,293,428
29	Laurel	Wastewater	500,000	500,000	11,793,428
30	Ennis	Wastewater	204,894	204,894	11,998,322
31	Choteau	Water	500,000	500,000	12,498,322
32	Missoula County	Bridge	275,172	275,172	12,773,494
33	Miles City	Water	500,000	500,000	13,273,494
34	Yellowstone County	Bridge	187,800	187,800	13,461,294
35	Ranch District	Water	500,000	360,000	13,821,294
36	Hysham	Water	470,920	462,359	14,283,653
37	Carbon County	Bridge	97,100	97,100	14,380,753
38	Spring Meadows District	Water	500,000	487,500	14,868,253
39	Woods Bay District	Water	500,000	500,000	15,368,253
40	Circle	Wastewater	500,000	500,000	15,868,253
41	Fairfield	Wastewater	500,000	126,000	15,994,253
42	Sun Prairie District	Water	500,000	500,000	16,494,253
43	Ryegate	Wastewater	394,081	394,081	16,888,334

Treasure State Endowment Program

Table F-3, cont.					
TSEP Applicants and the Amount of Dollars Recommended					
Rank	Applicant	Type of Project	Amount Requested	Proposed Grant Award ¹	Proposed Award
44	Chester	Wastewater	200,000	200,000	17,088,334
45	Shelby	Water	250,000	250,000	17,338,334
46	Bearcreek	Water	249,787	87,641	17,425,975
47	Bigfork District	Wastewater	500,000	262,500	17,688,475
Total			\$18,551,674	\$17,688,475	\$17,688,475

¹ The amount recommended if there are sufficient monies to fund the project.

Reclamation and Development Grant Program

Purpose - The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana for the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction, and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

Executive Recommendation -

- Volume 6 of the Governor's 2007 biennium Executive Budget contains the complete project evaluations and funding recommendations for the RDGP. Table F-4 on the following page lists the recommended projects.
- HB 7 presents the reclamation and development grant recommendations, which total \$3,970,615 for the 16 projects for which funding is requested.
- Statutorily required priorities include \$600,000 for the Montana Board of Oil and Gas and \$800,000 in abandoned mines reclamation.
- Representative mineral reclamation projects include reclamation and cleanup of the Bluebird, Frohner, and Buckeye mines, and numerous oil and gas well plugging and abandonment projects.
- Non-mineral projects include the rehabilitation of St. Mary diversion structures and Yellowstone River Resource Conservation Project.

Since the Last Session -

- During the interim, DNRC contracted with 9 of the 11 funded grants. These projects are progressing with particular success from the Board of Oil and Gas in properly plugging and abandoning shut in wells that have been taken over as a responsibility of the state.

Table F-4				
2007 Biennium Reclamation and Development Grants				
Ranked Order	Applicant	Project Name	Recommended Amount	Cumulative Amount Recommended
1	Montana BOGC	2005 Eastern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$300,000
2	Montana BOGC	2005 Northern District Orphaned Well Plug & Abandonment & Site Restoration	\$300,000	\$600,000
3	Montana DEQ	Bluebird Mine Reclamation	\$300,000	\$900,000
4	Montana DEQ	Frohner Mine Reclamation	\$300,000	\$1,200,000
5	Montana DEQ	Buckeye Mine Reclamation	\$300,000	\$1,500,000
6	Lewiston, City of	Reclamation of Brewery Flats on Big Springs Creek	\$300,000	\$1,800,000
7	Montana DNRC	St. Mary Sutdies and Design	\$300,000	\$2,100,000
8	Butte-Silverbow Local Gov.	Belmont Shaft Failure & Subsidence Mitigation	\$300,000	\$2,400,000
9	Pondera County	Oil & Gas Well Plug & Abandon	\$100,000	\$2,500,000
10	Custer County CD	Yellowstone River Resource Conservation Project	\$299,965	\$2,799,965
11	Teton County	Oil & Gas Well Plug & Abandon	\$50,000	\$2,849,965
12	Toole County	2005 Plugging & Abandonment Aid to Small Independent Oil Operators	\$150,000	\$2,999,965
13	Montana DEQ	Zortman Mine - Completion of Reclamation Alternative Z6	\$300,000	\$3,299,965
14	Butte-Silverbow Local Gov.	Excelsior Reclamation	\$129,800	\$3,429,765
15	Powell County	Wetland Reclamation	\$240,850	\$3,670,615
16	Montana DEQ	MTS Tire Recyclers Cleanup	\$300,000	\$3,970,615

Renewable Resource Grant & Loan Program

Purpose - The Renewable Resource Grant and Loan Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6, MCA. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility covers a wide spectrum including irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation -

- Volume 7 of the Governor's 2007 biennium Executive Budget contains the complete project evaluations and funding recommendations for all grant and loan applications. Table F-5 below shows the recommended projects.
- HB 6 presents the renewable resource grants recommendations for legislative action.
- Grant funding is limited to \$4.0 million and would provide funding for the first 40 of the 63 applications.
- Funding is recommended in the bill for 59 projects, in order of priority, for a total of \$5.6 million, in keeping with the DNRC policy of including all projects that meet minimum technical and financial feasibility requirements.
- The highest priority grant will be the rehabilitation of Halls Coulee Siphon, part of the Saint Mary project.
- Other projects include Deadmans Basin supply canal and other dam rehabilitation, watershed restoration projects, including Spring Creek in Beaverhead County, irrigation rehabilitation projects, and numerous proposals for municipal water and sewer systems.
- HB 6 recommends provision of \$100,000 in emergency grants for natural resource projects that present immediate threats to public health. \$300,000 is also recommended for project planning grants. These funds are recommended to come from the reclamation and development grant program.
- HB 8 presents the renewable resource bonds and loans recommendations from applications that total \$161,183 in new requests.

Since the Last Session -

- As of October 2004, the DNRC entered into grant agreements with 40 of the 40 grantees that received appropriations from the 58th Legislature for a total of \$3,679,068 approved to date.
- Two grants were awarded for emergency repairs to a municipal water system and an emergency repair for an irrigation system.
- Eleven project planning grants were issued.
- Eight private grants were issued for a total of \$18,623.
- Due to a cash flow problem in the renewable resource grant and loan account, lower ranking projects were not contracted until the second half of the biennium.

Renewable Resource Grant & Loan Program

Table F-5 2007 Biennium Renewable Resource Grant Program			
Ranked Order	Applicant/ Project Name	Recommended Amount	Cumulative Amount Recommended
1	Milk River Joint Board of Control Halls Coulee Siphon Repair	\$100,000	\$100,000
2	Spring Meadows County Water District Drinking Water Project	\$100,000	\$200,000
3	Montana State University Four Corners Surface and Groundwater Study	\$99,618	\$299,618
4	Beaverhead CD Spring Creek Restoration	\$100,000	\$399,618
5	St. Ignatius, Town of Wastewater Improvement Project	\$100,000	\$499,618
6	DNRC Deadmans Basin Supply Canal Rehab Project	\$100,000	\$599,618
7	Jefferson Valley CD Jefferson River Restoration	\$95,469	\$695,087
8	Carter Chouteau County WSD Drinking Water Project	\$100,000	\$795,087
9	Sheridan, Town of Drinking Water Project	\$100,000	\$895,087
10	Lower Yellowstone Irrigation District Lower Yellowstone Canal	\$100,000	\$995,087
11	DNRC Frenchman Dam Rehab Study	\$100,000	\$1,095,087
12	DNRC Martinsdale North Dam Riprap Program	\$100,000	\$1,195,087
13	Seeley Lake Sewer District Wastewater Improvement Project	\$100,000	\$1,295,087
14	Upper/Lower River Road WSD Drinking Water and Wastewater Project	\$100,000	\$1,395,087
15	Buffalo Rapids Irrigation District Canal Automation	\$100,000	\$1,495,087
16	Choteau, City of Drinking Water Project	\$100,000	\$1,595,087
17	Dodson, Town of Wastewater Improvement Project	\$100,000	\$1,695,087
18	Gallatin County Floodplain Delineation Project	\$100,000	\$1,795,087
19	Yellowstone Irrigation District Flow Measurement Project	\$100,000	\$1,895,087
20	Gardiner-Park County WD Drinking Water Project	\$100,000	\$1,995,087

Renewable Resource Grant & Loan Program

Table F-5 (cont)			
2007 Biennium Renewable Resource Grant Program			
Ranked Order	Applicant/ Project Name	Recommended Amount	Cumulative Amount Recommended
21	Liberty County CD Chester Sprinkler Irrigation Project	\$100,000	\$2,095,087
22	Cascade, Town Drinking Water Project	\$100,000	\$2,195,087
23	Ranch County WSD Drinking Water Project	\$100,000	\$2,295,087
24	Libby, City of Wastewater Improvement Project	\$100,000	\$2,395,087
25	Broadview, Town of Broadview Water Supply Study	\$99,997	\$2,495,084
26	DNRC Martinsdale Outlet Canal Drop Structures	\$100,000	\$2,595,084
27	Roosevelt County CD Fort Peck Irrigation Quality and Quantity Phase I	\$99,995	\$2,695,079
28	Buffalo Rapids Irrigation District Improving Efficiency and Quality	\$72,768	\$2,767,847
29	Paradise Valley ID Turnout Replacement Project	\$100,000	\$2,867,847
30	Manhattan, Town of Wastewater Improvement Project	\$100,000	\$2,967,847
31	Woods Bay Homesites County WSD Water System Improvements	\$100,000	\$3,067,847
32	Custer Area, Yellowstone County WSD Wastewater Improvement Project	\$100,000	\$3,167,847
33	Fort Belknap Irrigation District Sugar Factory Lateral Project Phase II	\$100,000	\$3,267,847
34	Laurel, City of Wastewater Improvement Project	\$100,000	\$3,367,847
35	Yellowstone CD Canyon Creek Restoration	\$100,000	\$3,467,847
36	Valier, Town of Wastewater Improvement Project	\$100,000	\$3,567,847
37	Fairfield, Town of Wastewater Improvement Project	\$100,000	\$3,667,847
38	Glasgow Irrigation District Vandalia Dam Improvements Phase III	\$100,000	\$3,767,847
39	Ennis, Town of Wastewater System Improvements	\$100,000	\$3,867,847
40	Bighorn CD Alluvial Aquifers of Northern Bighorn County	\$100,000	\$3,967,847

Renewable Resource Grant & Loan Program

Table F-5 (cont)			
2007 Biennium Renewable Resource Grant Program			
Ranked Order	Applicant/ Project Name	Recommended Amount	Cumulative Amount Recommended
41	Savage Irrigation District Rehabilitation Planning Study	\$62,814	\$4,030,661
42	Butte-Silver Bow Big Hole River Transmission Line Replacement- Drinking Water Project	\$100,000	\$4,130,661
43	Whitefish, City of Drinking Water Project	\$100,000	\$4,230,661
44	Circle, Town of Wastewater System Improvements	\$100,000	\$4,330,661
45	Black Eagle WSD Drinking Water Project	\$50,000	\$4,380,661
46	Lewis and Clark CD Florence Canal Rehab Project	\$100,000	\$4,480,661
47	Sweet Grass County CD Middle Glaston Reservoir Feasibility Study	\$85,000	\$4,565,661
48	Livingston, City of Livingston Flood Damage Reduction Study	\$100,000	\$4,665,661
49	Liberty County CD Marias Baseline Development Project	\$100,000	\$4,765,661
50	Hammond Irrigation District Porcupine Creek Siphon Rehab	\$38,200	\$4,803,861
51	Bear Creek, Town of Drinking Water Project	\$100,000	\$4,903,861
52	Ryegate, Town of Wastewater System Improvements	\$100,000	\$5,003,861
53	Sun Prairie Village County WSD Drinking Water Project	\$100,000	\$5,103,861
54	Butte Silver Bow Water Master Plan	\$100,000	\$5,203,861
55	DNRC Increasing Montana Water Management Capacity	\$99,714	\$5,303,575
56	Milk River Joint Board of Control Lake Sherburne Dam Outlet Works Rehab	\$100,000	\$5,403,575
57	Bigfork County WSD Wastewater System Improvements	\$100,000	\$5,503,575
58	Ruby Valley CD Groundwater Management Plan	\$33,694	\$5,537,269
59	Cartersville Irrigation District Sand Creek Siphon Rehab Project	\$100,000	\$5,637,269

Cultural and Aesthetic Grant Program

Purpose - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society, the C&A program was transferred to the Montana Arts Council in the 1985 biennium and continued to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the MAC and half by the MHS.

Coal severance tax revenue of 0.63 percent is statutorily allocated to the capitol art protection trust fund for partial funding of the recommended grants. About two-thirds of the projects are arts projects and one-third are history and other cultural projects. Projects offer programs that draw tourists to them, that encourage tourists to stay longer or to spend more because of them.

Executive Recommendation -

- Volume 7 of the Governor's 2007 biennium Executive Budget contains the C&A project applications and advisory committee assessment information.
- The governor proposes to restore the \$3.9 million taken from the trust in the 1997 session to buy Virginia City. This restoration would save about \$250,000 annually in general fund used in HB 9 to backfill the halving of the trust. In addition a one-time general fund appropriation of \$40,000 is recommended.
- HB 9 contains the projects recommended by the advisory committee for funding in the amount of \$770,553. Table F-6 below shows all of the requested and recommended grants.
- Projects are organized into four categories: special projects less than \$4,500, special projects, operational support, and capital expenditure grants.
- The revenue estimate for cultural trust interest earnings for the 2007 biennium is \$1,094,233.
- Montana Arts Council administration and services are recommended for \$333,680 and appropriated in House Bill2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.
- Language in HB 9 provides a mechanism for spending the funds within the total revenue available.

Since the Last Session –

- The MAC received 91 requests for grant funding totaling \$2.1 million, which were reviewed and ranked by the Cultural and Aesthetic Projects Advisory Committee.
- The 2003 Legislature appropriated \$249,575 general fund for grants for each year of the 2007 biennium.
- The tax flow into the cultural and aesthetic trust fund was \$199,000 for FY 2004.

Cultural and Aesthetic Grant Program

Table F-6

2007 Biennium Cultural Trust Applications & Recommendations

<u>Grant No.</u>	<u>Organization Name</u>	<u>Request</u>	<u>Rank</u>	<u>Recommend</u>
<u>Special Project < \$4500</u>				
1105	Miles City Speakers Bureau	\$4,500	1	\$4,500
1108	Preservation Cascade, Inc	\$4,470	2	\$3,000
1102	Council for the Arts, Lincoln	\$2,500	3	\$2,500
1107	Montana Storytelling Roundup	\$4,500	4	\$4,500
1101	Butte Citizens for Pres & Revitalization	\$4,500	5	\$4,500
1109	Signatures from Big Sky	\$4,500	6	\$4,500
1103	Fort Wm H Harrison Museum Fdn	\$4,500	7	\$3,000
1104	Metropolitan Opera National Council	\$2,010	8	\$1,000
1106	Montana Mandolin Society	\$2,000	9	\$2,000
1110	Wibaux County Visioning Committee	\$3,550	10	\$3,550
1100	Artworld Academy	\$4,000	11	\$0
<u>Special Project</u>				
1126	Montana Committee for the Humanities	\$75,000	1	\$31,798
1129	Montana Preservation Alliance	\$31,879	2	\$17,600
1117	Emerson Cultural Center	\$20,000	3	\$10,600
1133	Prairie County Museum/Montana Historical Society	\$23,634	4	\$16,700
1123	Missoula Art Museum	\$25,000	5	\$14,100
1132	Pondera Arts Council	\$19,948	6	\$13,400
1112	Bozeman Symphony Society	\$20,000	7	\$9,900
1134	Rimrock Opera Company	\$25,000	8	\$7,100
1124	Missoula Symphony Association	\$9,000	9	\$4,200
1135	Southwest Montana Arts Council	\$8,950	10	\$6,300
1127	Montana Historical Society	\$26,096	11	\$14,100
1137	VIAAs, Inc	\$19,720	12	\$12,000
1120	International Choral Festival	\$7,500	13	\$3,500
1121	KUFM-TV, Montana PBS	\$27,000	14	\$10,600
1138	World Museum of Mining	\$1,447	15	\$1,447
1122	Mission Valley Friends of the Arts	\$8,640	16	\$4,000
1111	Artisan Dance Theatre	\$50,000	17	\$14,100
1136	St Vincent Health Care Foundation	\$20,000	18	\$3,500
1125	Montana Alliance for Arts Ed	\$10,000	19	\$3,500
1128	Montana Museum of Art & Culture	\$4,500	20	\$3,500
1131	Paris Gibson Square	\$23,530	21	\$3,500
1115	Children's Museum of Montana	\$14,205	22	\$6,200
1114	Chantilly Players	\$20,000	23	\$5,600
1118	Garnet Pres / Garnet Ghost Town	\$14,800	24	\$4,200
1130	Nat'l Museum of Forest Service History	\$5,677	25	\$2,500
1119	homeWORD	\$4,200	26	\$0
1113	Browning Community Development Corp	\$9,000	27	\$0
1116	Community Channel Seven Television	\$15,000	28	\$0
1139	Yirsa, Brenda	\$30,000	29	\$0

Cultural and Aesthetic Grant Program

Table F-6, cont.

2007 Biennium Cultural Trust Applications & Recommendations

<u>Grant No.</u>	<u>Organization Name</u>	<u>Request</u>	<u>Rank</u>	<u>Recommend</u>
<u>Operational Support</u>				
1164	Montana Art Gallery Director's Assoc	\$38,000	SSO1	\$14,100
1170	Montana Performing Arts Consortium	\$44,000	SSO2	\$17,600
1167	Montana Assoc of Symphony Orchestras	\$20,000	SSO3	\$6,300
1166	Montana Arts	\$36,000	SSO4	\$10,600
1169	Montana Dance Arts Association	\$8,000	SSO5	\$3,500
1177	Shakespeare in the Parks	\$40,000	1	\$17,600
1150	Custer County Art Center	\$32,000	2	\$22,600
1163	Montana Agricultural Center & Museum	\$24,000	3	\$17,000
1162	Missoula Children's Theatre, Inc.	\$40,000	4	\$21,200
1149	Carbon County Historical Society	\$30,000	5	\$15,500
1183	Writer's Voice (Billings YMCA)	\$30,000	6	\$17,600
1155	Great Falls Symphony Assoc	\$28,000	7	\$14,100
1142	Art Mobile of Montana	\$20,000	8	\$10,600
1159	Holter Museum of Art	\$60,000	9	\$21,200
1145	Billings Symphony Society	\$50,000	10	\$13,400
1140	Alberta Bair Theater	\$50,000	11	\$17,600
1176	Schoolhouse History & Art Center	\$25,000	12	\$10,600
1181	Western Heritage Center	\$60,000	13	\$14,100
1143	Big Horn Arts and Crafts Assoc	\$20,000	14	\$10,600
1182	Whitefish Theatre Company	\$20,000	15	\$10,600
1157	Helena Symphony Orchestra and Chorale	\$30,000	16	\$14,100
1141	Archie Bray Foundation	\$50,000	17	\$14,100
1146	Butte Center for the Performing Arts	\$30,000	18	\$17,600
1154	Grandstreet Theatre	\$28,000	19	\$10,600
1173	Myrna Loy Center	\$40,000	20	\$14,100
1184	Yellowstone Art Museum	\$79,000	21	\$18,300
1171	Montana Repertory Theatre	\$25,000	22	\$10,600
1168	Montana Ballet Company	\$24,500	23	\$8,500
1158	Hockaday Museum of Art	\$32,384	24	\$8,500
1165	Montana Artists Refuge	\$44,865	25	\$3,500
1172	Museum of the Rockies	\$60,000	26	\$7,100
1175	Rocky Mountain Ballet Theater	\$15,300	27	\$7,100
1180	VSA arts of Montana	\$12,000	28	\$7,100
1185	Young Audiences of Western MT	\$12,000	29	\$5,600
1179	Vigilante Theatre Company	\$14,100	30	\$6,300
1147	Butte Symphony Association	\$30,000	31	\$7,100
1160	Intermountain Opera	\$29,520	32	\$8,500
1151	District 7 HRDC Growth Thru Art	\$40,000	33	\$10,600
1156	Hamilton Players, Inc	\$27,210	34	\$7,100
1148	Carbon County Arts Guild & Depot	\$15,400	35	\$6,400
1174	Northwest Montana Historical Society	\$45,512	36	\$3,500
1161	Miles City Preservation Comm	\$8,000	37	\$3,000
1178	Sunburst Community Foundation	\$14,750	38	\$5,300

Cultural and Aesthetic Grant Program

Table F-6, cont.

2007 Biennium Cultural Trust Applications & Recommendations

<u>Grant No.</u>	<u>Organization Name</u>	<u>Request</u>	<u>Rank</u>	<u>Recommend</u>
<u>Capital Expenditure</u>				
1144	Billings Cultural Partners	\$10,000	39	\$2,000
1152	Federation of Fly Fishers	\$30,000	40	\$0
1153	Fort Peck Community College	\$27,800	41	\$0
1188	Liberty Village Arts Center & Gallery	\$12,375	1	\$6,300
1189	Meagher County Historical Association	\$4,500	2	\$4,500
1190	St Labre Indian School & Museum	\$4,131	3	\$3,730
1186	Friends of the Madison Valley Library	\$10,000	4	\$3,528
1187	Lewistown Art Center	\$5,000	5	\$2,500
TOTAL REQUESTED/RECOMMENDED		\$2,097,103		\$770,553

State Buildings Energy Conservation Program

Purpose - The State Buildings Energy Conservation Program, operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

Background

- The state sells general obligation (G.O.) bonds, uses the bond proceeds to pay for energy efficiency improvements, then uses the resulting energy cost savings to pay the debt service on the bonds.
- Projects are designed so the cost savings exceed the bond debt service.
- Energy efficiency improvements include replacing old, inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- After energy improvements are in place, the DEQ provides on-going training and technical assistance to facility staff to ensure that energy savings are maintained.
- A portion of the proceeds from each bond issuance is set aside to fund analysis, design, and program administration for the next round of projects so the program is able to continue without additional federal or state funding.

Since the Last Session

Water Conservation Projects - Language was added in 2003 that allow water conservation projects to be funded through the Program. Water costs can be a significant portion of an agency's utility budget, and the program can now use bond funds for projects that will reduce water consumption and/or costs, and capture the savings to repay the bonds. 11th Year Savings - In 2004 the first energy bond was repaid. Energy savings will continue to be realized on many of these projects because the installed energy conservation measures have a service life greater than 15 years.

Executive Recommendation -

- HB 12 recommends issuing G.O. bonds not to exceed \$2.5 million for projects during the 2007 biennium.
- The State Buildings Energy Conservation Program will provide an estimated \$159,741 to the LRBP cash appropriation in HB 5.
- More than a dozen projects are in design, development or construction. All projects are coordinated with the Architect & Engineering Division, which is responsible for the Long-Range Building Program.
- The following projects are recommended for approval in HB 12:
 - Mitchell Building Phase II and Capitol Energy Projects for FY06/07, Department of Administration, Helena, Montana;
 - Miles City Headquarters Building, Miles City, Department of Fish, Wildlife, and Parks, Miles City, Montana;
 - Advanced Technology Center Building and Campus Irrigation Project, MSU-Northern, Havre, Montana;
 - Petroleum Building, Montana Tech, Butte, Montana;
 - Montana Mental Health and Nursing Care Center Phase II Boiler Upgrade Project, Department of Public Health and Human Services, Helena, Montana; and
 - Other projects that arise which will afford energy savings opportunities.